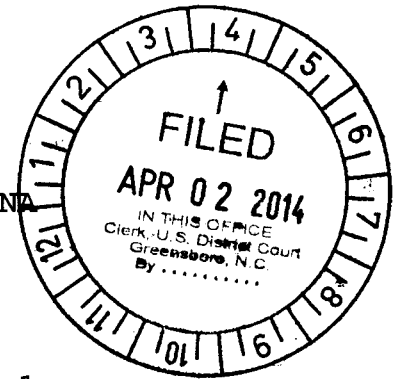


IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA



UNITED STATES OF AMERICA

:

v.

:

1:14CR 118 -1

:

TASHA RENEE SMITH

:

The United States Attorney charges:

1. At all times material to this Information, TASHA RENEE SMITH was a resident of Durham County, North Carolina, in the Middle District of North Carolina.

2. At all times material to this Information, Nothing But Taxes, Inc. ("NBT") was a tax preparation firm with branches in various locations in the Middle District of North Carolina, including a location on Fayetteville Street in Durham, North Carolina. TASHA RENEE SMITH was a return preparer at the Fayetteville Street location of NBT during part of the filing season for 2005 federal income taxes, the entire filing season for 2006 federal income taxes, and part of the filing season for 2007 federal income taxes, that is, early 2006, 2007, and 2008, respectively.

3. Tax Wizards was a tax return preparation firm owned and operated by TASHA RENEE SMITH beginning in the filing season for 2008 federal income taxes and continuing through the filing season for 2010 federal income taxes, that is, January through

April of 2009, 2010, and 2011, respectively. TASHA RENEE SMITH opened two Tax Wizards locations: one in Durham, and one in Roxboro.

4. Keystone Tax Services ("Keystone") was a tax return preparation firm owned and operated by TASHA RENEE SMITH beginning in the filing season for 2009 federal income taxes and continuing through the filing seasons for 2010 federal income taxes, that is, January through April of 2010 and 2011, respectively. Keystone had two locations in 2010 and four locations in 2011, all of which were in Durham.

5. Tax Solutions was a tax return preparation firm owned and operated in part by TASHA RENEE SMITH, beginning in the 2011 federal income tax filing season, that is, January through April of 2012. Tax Solutions had locations in Roxboro, Durham, Kinston, and Burlington.

#### OBJECT OF THE CONSPIRACY

6. From in or about February 2006, continuing up to and including in or about April 2012, the exact dates unknown, in the Counties of Durham and Person, in the Middle District of North Carolina, and elsewhere, TASHA RENEE SMITH knowingly and unlawfully conspired with Claude Arthur Verbal, II, a person whose initials are S.F., and other persons known and unknown, to defraud the United States by impeding, impairing, obstructing, and defeating the lawful functions of the Internal Revenue

Service in the assessment, ascertainment, computation, and collection of federal income taxes, specifically, the federal income taxes of TASHA RENEE SMITH's clients at NBT's Fayetteville Street branch for the 2005-2007 tax years, the clients of Tax Wizards and Keystone for the 2008-2010 tax years, and the clients of Tax Solutions for the 2011 tax year.

MANNER AND MEANS

7. It was a part of the conspiracy that TASHA RENEE SMITH and others would and did intentionally falsify tax returns for clients of NBT, Tax Wizards, Keystone, and Tax Solutions in order to fraudulently inflate the clients' refunds. Common falsifications included, among other things, false dependents, false education credits, false Earned Income Tax Credits, and false wages or tips.

8. It was a further part of the conspiracy that TASHA RENEE SMITH and other return preparers at NBT would and did unlawfully purchase the means of identifications of other individuals including their names, dates of birth, and Social Security numbers, in order to use these identities as false dependents on clients' tax returns. This practice also occurred at Tax Wizards, Keystone, and Tax Solutions, but to a lesser extent, and TASHA RENEE SMITH did not encourage the practice.

9. It was a further part of the conspiracy that TASHA RENEE SMITH and others would and did offer the clients of NBT

large tax refunds in exchange for a cash fee, an arrangement sometimes referred to as "the hook up." These added cash fees were separate and apart from the standard tax preparation fees charged by the respective return preparation businesses. A number of return preparers at Tax Wizards and Keystone continued this practice, although not with TASHA RENEE SMITH's encouragement.

10. It was a further part of the conspiracy that TASHA RENEE SMITH and others would and did require many clients to cash their tax refund checks in the presence of an escort, who would ensure that the added cash fees described in paragraph 9 were promptly paid.

11. It was a further part of the conspiracy that, upon establishing Tax Wizards, Keystone, and Tax Solutions, TASHA RENEE SMITH would and did hire return preparers to work for her. TASHA RENEE SMITH knew these return preparers were regularly falsifying tax returns.

12. It was a further part of the conspiracy that TASHA RENEE SMITH would and did implement certain procedures at Tax Wizards, Keystone, and Tax Solutions in an attempt to insulate herself from liability for the wrongdoing she knew was occurring at her businesses. These included requiring return preparers to sign disclaimers stating that they were independent contractors, and requiring clients to sign disclaimers that the information

on their tax returns was being provided solely by the client and was accurate.

13. It was a further part of the conspiracy that TASHA RENEE SMITH would and did receive a standard tax preparation fee for each return prepared by Tax Wizards, Keystone, and Tax Solutions.

#### OVERT ACTS

14. In or about February 2006, Claude Arthur Verbal, II, hired TASHA RENEE SMITH as a return preparer at Nothing But Taxes.

15. In or about December 2006 and January 2007, TASHA RENEE SMITH created and distributed flyers and other marketing materials to advertise her tax return preparation services.

16. In or about January 2007, TASHA RENEE SMITH purchased approximately fifteen identities from individuals in Durham to be used as false dependents on tax returns during the upcoming tax filing season.

17. In or about January 2007, up to and including to in or about April 2007, TASHA RENEE SMITH prepared approximately 200 to 300 false tax returns for clients of NBT.

18. In or about January 2008, TASHA RENEE SMITH obtained additional identities for use as false dependents during the upcoming filing season.

19. In or about January 2008, a person whose initials are S.F. began marketing TASHA RENEE SMITH's tax return preparation services at NBT through flyers and word of mouth. S.F. also began escorting TASHA RENEE SMITH's clients to cash their tax refund checks.

20. In or about January 2009, TASHA RENEE SMITH and a person whose initials are S.F. opened Tax Wizards and hired staff, including a number of former NBT clients, to prepare tax returns. TASHA RENEE SMITH instructed her staff that any falsifications of clients' returns should not be too large, in order to avoid IRS audits or other scrutiny.

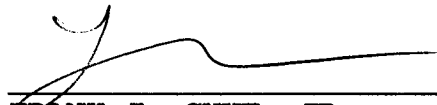
21. In or about January 2010, TASHA RENEE SMITH and a person whose initials are S.F. opened Keystone and hired staff to prepare tax returns.

22. In or about April 2010, TASHA RENEE SMITH became aware that return preparers at Tax Wizards and Keystone were falsifying returns to such an extent that the business was in jeopardy of attracting IRS scrutiny. Accordingly, TASHA RENEE SMITH closed these businesses.

23. In or about January 2011, TASHA RENEE SMITH, a person whose initials are S.F., and another investor opened Tax Solutions and hired office managers. TASHA RENEE SMITH was responsible for training the office managers. A number of the office managers TASHA RENEE SMITH hired had previously worked at

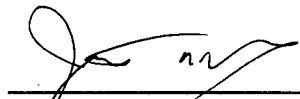
Tax Wizards and Keystone, and were familiar with how to falsify returns related to false dependents, false education credits, false Earned Income Tax Credits, and false wages or tips, as TASHA RENEE SMITH then well knew.

All in violation of Title 18, United States Code, Section 371.



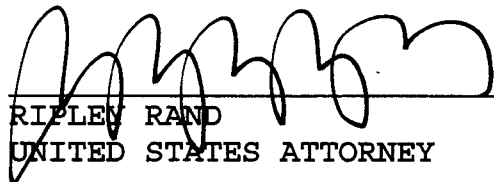
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FRANK J. CHUT, JR.  
ASSISTANT UNITED STATES ATTORNEY



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JONATHAN R. MARX  
DOJ TAX ATTORNEY



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RIPLEY RAND  
UNITED STATES ATTORNEY